Depositing the Premium in any Branch of LIC

1010. SHRI RAJNATH SINGH:
SHRIMATI MALTI SHARMA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that all branches of LIC have been computerised in Delhi;

(b) whether it is also a fact that premium amount to be deposited by consumers can be deposited only in the specified branch which results in great inconvenience for consumers; and

(c) whether Government propose to allow depositing of premium in any of the branches in view of LIC Network being computerised?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANATHANAN): Yes, Sir.

(b) and (c) The Life Insurance Corporation of India (LIC) has informed that they have taken steps to Network the Branches in Delhi and has applied to MTNL for eighty leased lines. Till the requisite number of leased lines are made available by the MTNL, the premium from policyholders can be accepted only in the specified Branches of LIC in Delhi.

Delinking of Credit Rating from Public Deposits

1011. SHRI PARMESHWAR KUMAR AGARWALLA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has delinked credit rating from the amount of public deposits, which banking and finance companies allowed to accept;

(b) if so, what are the factors that have weighed Reserve Bank to take this decision; and

(c) what are the details of the steps being taken/proposed to be taken to pull the sector out of the mire?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) As far as banking companies are concerned, there is no prescribed linkage between credit rating and the amount of public deposits. Such a linkage exists in the case of non-banking financial companies (NBFCs). The prescription of credit rating was made after careful consideration of the necessity and desirability thereof. It is necessary that the NBFCs which are mobilising deposits from the public, should be kept under constant vigil. It was, however, recognised that the regulations on deposit acceptance for NBFCs were somewhat restrictive for many good companies conducting their operations on sound business lines. The Task Force on NBFCs has in its report suggested some measures to be taken for strenthening the NBFC sector. Action has been initiated in consultation with the RBI for implementation of the recommendations of the Task Force.

Loans/Aids held up due to sanctions

1012. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) what has been the effect of sanctions on the 1998-99 budget;

(b) the loans or aid which are held up because of the sanctions; and

(c) the major projects, which are affected because of the sanctions?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The impact of sanctions on disbursements of externally aided projects during 1998-99 is minimal. Hence the effect of sanctions on the budget during 1998-99 would be insignificant.

(b) and (c) Some fresh aid commitments are held up due to

sanctions in respect of projects to be financed by USA, World Bank, ADB, Japan, Australia, Germany, Sweden, Norway and Denmark. There is no effect on ongoing major projects.

Hidden subsidies in the economy

1013. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per a recent report, the total amount of hidden subsidies in the economy was 10 per cent of the G.D.P.;

(b) whether 65 per cent of the total subsidies meant for the poor were mostly enjoyed by the affluent classes; and

(c) if so, what is Government's views on this?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) As per the discussion paper entitled "Government Subsidies in India" based on a detailed research study by the National Institute of Public Finance and Policy the aggregate subsidy in 1994-95 for all Goods/Services provided by the Central and State Governments is placed at Rs. 137,338 crore and constituted 14.4. per cent of the Gross Domestic Product. Total subsidies on social services constituted 3.4 per cent of GDP while subsidies on economic services constituted 11 per cent of GDP. The endeavour of the Central Government has been to rationalise the system of subsidies by making them transparent, and helping the poor, vulnerable and weaker sections of the community.

Exchange value of rupee vis-a-vis dollar

1014. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) the exchange value of the rupee vis-a-vis US dollar in August, 1998;

(b) how the value compare with that prevailed in August, 1997;

(c) the reasons for fall in the value of the rupee; and

(d) the steps taken by Government to stabilise the value of rupee vis-a-vis other currencies?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The monthly average exchange rate of the rupee vis-a-vis the US dollar in August 1998 was Rs. 42.76, which shows a depreciation of rupee of 16.0 per cent compared with the average rate of Rs. 35.92 in August 1997.

(c) The fall in the value of the rupee against the US dollar may be attributed to adverse sentiments and nervous reactions from the turmoil in the East-Asian financial markets.

(d) The exchange rate of the rupee is market-determined. The exchange rate developments are closely monitored both by the Government and the Reserve Bank of India (RBI). While allowing market developments to be reflected in the exchange rate considerations, such as preservation and improvement of external competitiveness, the RBI, as and when necessary, intervenes in the foreign exchange market and deploys suitable monetary and other measures to counter speculative pressures on the rupee and to ensure orderly foreign exchange market conditions.

औद्योगिक घरानों द्वारा बैंक-ऋण का भुगतान

1015. **श्री रामजीलाल:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि अनेक औद्योगिक घरानों एवं औद्योगिक इकाइयों ने बैंकों और वित्तीय संस्थाओं से लिए गए ऋणों का भुगतान नहीं किया है;

(ख) यदि हां, तो ऐसे औद्योगिक घरानों और इकाइयों के नाम क्या हैं जिन पर पिछले पांच वर्षों के दौरान एक लाख रुपए से अधिक का ऋण बकाया है;

(ग) क्या यह भी सच है कि सरकार ऐसे औद्योगिक घरानों और इकाइयों को पुनः ऋण देने पर विचार कर रही है; और